



Oversight Board Successor Agency to the Huntington Beach Redevelopment Agency

About Us

The Oversight Board of the City of Huntington Beach oversees certain fiscal management of former assets of the Huntington Beach Redevelopment Agency ("Agency"), other than affordable housing assets, and exercises land use, development and design approval authority under the enforceable obligations for all City of Huntington Beach Redevelopment Area activities, in place of the former Agency Commission.

Background

On June 28, 2011, the Governor approved two bills, AB 26 and AB 27, which amended the California Community Redevelopment Law, which regulates the activities of redevelopment agencies. AB 26 was the "dissolution" bill, which set November 1 as the date to dissolve all redevelopment agencies. The companion legislation AB 27, the "reinstatement" bill, allowed cities to keep their agencies in place by committing to substantial "community remittances" to be paid to the State.

AB 26 put the Agency into a state of suspension under which no new contracts, obligations or redevelopment plans could be approved. In July, a lawsuit was filed challenging the constitutionality of both AB 26 and AB 27. The Supreme Court accepted the case and issued a "stay" under which agencies remained in place but in the suspended state pending a decision by the court.

On December 29, 2011, the California Supreme Court issued its decision: it upheld AB 26, which eliminates redevelopment agencies, but struck down AB 27, which would have allowed cities to agree to community remittance payments to keep their agencies in place. As a result, under the schedule set by the Supreme Court, the Huntington Beach Redevelopment Agency was dissolved as of February 1, 2012. AB 26 provides that the City may become the successor to the Redevelopment Agency, and continue to implement "enforceable obligations" which were in place prior to the suspension—existing contracts, bonds, leases, etc.—and take title to all of the Agency's housing and other assets.

Successor Agency Legislation

On January 9 2012, the City Council passed legislation sponsored by Supervisor Malia Cohen and co-sponsored by Supervisors Jane Kim and Christina Olague, to confirm the City's role as the successor to the Redevelopment Agency. The legislation was approved by City Council on January 9, 2012. The legislation does the following:

1. Approves the retention by the City as successor to the Redevelopment Agency of the Agency's affordable housing assets and functions upon the Agency's dissolution, including all funds in the Agency's Low and Moderate Income Housing Fund, and authorizing the City of Huntington Beach to manage these affordable housing assets and to exercise the housing functions that the Agency previously performed;
2. Acknowledges that upon the Agency's dissolution the City as successor agency shall accept the transfer of all of the Agency's non-affordable housing assets;
3. Provides for the required payment and performance of enforceable obligations, the transfer and establishment of funds and accounts, and for the administration of funds and other assets, all associated with the City's exercise of its responsibilities as successor agency to the Agency under state law;
4. Authorizes the new Oversight Board, which state law requires the City as successor agency to create, to oversee certain fiscal management of former Agency assets other than affordable housing assets, and to exercise land use, development and design approval authority under the enforceable obligations for all City of Huntington Beach Redevelopment Agency activities, in place of the former Agency Commission.